

## **FISCAL NOTE**

TO: Chief Clerk of the Senate  
Chief Clerk of the House

FROM: James A. Davenport, Executive Director

DATE: March 20, 1995

SUBJECT: **HB 1213 - SB 1523**

This bill, if enacted, will require all insurers which cover cancer surgical services to provide high dose chemotherapy for breast cancer, multiple myeloma, or ovarian cancer, if it is deemed appropriate by the patient's physician. This bill also provides that the general assembly, by passage of this bill, finds this treatment is not experimental. Any county cost involved in this treatment shall be appropriated from municipality or county state-shared taxes, not otherwise earmarked for other services.

The fiscal impact from enactment of this bill is estimated to be an increase in expenditures to state and local governments. The high cost associated with this type of procedure is estimated to cause increases in health care costs or health insurance premiums paid by state and local governments. It is assumed the use of this procedure will increase as a result of the enactment of this bill. The amount of such increase to state and local governments cannot be reasonably determined, since it would depend upon the number of additional cases where this procedure would be used versus alternative procedures that are currently being used, but is estimated to exceed \$1,000,000 to the state plan and \$500,000 to local government plans for increased health care costs for employees. Enactment of this bill is also estimated to result in higher capitation rates paid to managed care organizations in the TennCare program in order to cover additional costs as the result of more frequent use of this treatment. The amount of increase cannot

be reasonably determined but is estimated to exceed \$1,000,000 in the long run.

The enactment of this bill is also estimated to result in an increase in cost to the health industry from mandated coverage. Such increase cannot be reasonably determined but is estimated to exceed \$10,000,000. This impact is included as required by Chapter 244 of the Public Acts of 1989.

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, reading "James A. Davenport". The signature is fluid and cursive, with the first letters of the first and last names being capitalized and prominent.

James A. Davenport, Executive Director

*\*Article II, Section 24 of the Tennessee Constitution provides that: no law of general application shall impose increased expenditure requirements on cities or counties unless the General Assembly shall provide that the state share in the cost.*

**\*\*This bill has a memorandum on a proposed amendment that changes the fiscal note on the original bill.**